GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2066
ANSWERED ON:11.08.2006
REALIZATION OF EXPORT VALUE
Jha Shri Raghunath

Will the Minister of FINANCE be pleased to state:

(a) Whether every exporter is required to realize and repatriate full export value of goods within six months from the date of export;

(b) Whether substantial amount of export proceeds are pending realization beyond permissible period of 180 days; and

(c) If so, the details thereof; and

(d) Measures taken for realization of the outstanding export proceeds?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)
(a) Yes, Sir. However, followings units are permitted to realize and repatriate the value of export proceeds within 12 months from the date of export.

i) 'Status Holder' as defined in the Foreign Trade Policy

ii) 100% EOUs set up under Electronic Hardware Technology parks, Software Technology Parks and Biotechnology parks.No period of realization of export proceeds is prescribed for units located in Special Economic Zones.

(b&c) Based on the data as reported by authorized dealers, RBI has informed that for half year ending December 31, 2005, the amount of export outstanding beyond 6 months is Rs. 20,866.47 crores. This constitutes 4.1% of total exports valued at Rs. 4,98,124 crores as per Director General of Commercial Intelligence and Statistics (DGCI&S) data for the corresponding period.

(d) In the Case of non-realization of export proceeds for the exports effected by availing export promotion schemes administered by the DGFT, the offices of the DGFT initiate necessary proceedings against the exporters for recovery of duty exemption/ neutralization benefit availed and imposition of penalty, if any, in terms of the provisions of FT(D&R) Act, 1992 and the Policy and procedures laid thereunder. If the defaulting firm does not pay the same, the Adjudicating Authority declares the firm defaulter, thereby suspending all export benefits to the firm and the Importer-Exporter Code Number of the applicant is suspended/cancelled by the DGFT. In addition, steps are taken for its recovery as an arrear of Land Revenue through the State government machinery.

The RBI has also directed Authorized dealers/Banks to monitor realization of export bills and take up systematically and vigorously with the concerned exporter where bills remain outstanding beyond the due date. The matter is also required to be reported to the concerned regional offices of the RBI .

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